

RESOLUTION NO. 75443

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AMENDING THE TERMS OF THE LOAN IN THE AMOUNT OF \$5,152,000 FROM THE SEWAGE TREATMENT PLANT CONNECTION FEE FUND TO THE GENERAL FUND FOR CONSTRUCTION OF THE FIBER OPTIC CONDUIT INSTALLATION PROJECT AS PREVIOUSLY SPECIFIED IN RESOLUTION NO. 66629 TO EXTEND THE REPAYMENT DATE TO JUNE 30, 2013, AND REPEALING RESOLUTION NO. 66629

WHEREAS, on April 30, 1996, the Council of the City of San José ("City") adopted Ordinance No. 25075 and Resolution No. 66585 related to the interfund loan of \$5,152,000 from the Sewage Treatment Plant Connection Fee Fund to the General Fund for construction of the Fiber Optic Conduit Installation Project; and

WHEREAS, loans from the Sewage Treatment Plant Connection Fee Fund can be made only on specific terms; and

WHEREAS, on May 21, 1996, the City Council adopted Resolution No. 66629, which set forth the terms of a loan from the Sewage Treatment Plant Connection Fee Fund to the General Fund for construction of the Fiber Optic Conduit Installation Project; and

WHEREAS, the City of San Jose ("City") desires to amend the terms of the loan from the Sewage Treatment Plant Connection Fee Fund previously set forth under Resolution No. 66629 to defer repayment of the outstanding balance on the loan to June 30, 2013;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The terms of the loan in the amount of \$5,152,000 from the Sewage Treatment Plant Connection Fee Fund to the General Fund for construction of the Fiber Optic Conduit Installation Project shall include the following:
 - A. The General Fund will pay interest at a rate equal to the rate of return.
 - B. The loan shall be fully due and payable on June 30, 2013.
 - C. The loan will be repaid with revenues generated by conduit leases.
 - D. In the event that a shortfall arises in the Sewage Treatment Plant Connection Fee Fund, the loan shall become immediately due and payable.
 - E. All conduit lease payments received by the City will be allocated to the repayment of the loan until it is fully repaid.
 - F. A final balloon payment will be required if the loan has not been fully repaid from those lease payments by June 30, 2013.
2. Resolution No. 66629 is hereby repealed in its entirety.

ADOPTED this 17th day of June, 2010, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, HERRERA,
KALRA, LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.

ATTEST:



LEE PRICE, MMC
City Clerk



CHUCK REED
Mayor